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(SN11)
WIOA BULLETIN NO. 11-17

DATE: March 24, 2017

TO: WIOA Partners

SUBJECT: Policy on Property and Inventory Management

I. PURPOSE:

To communicate the property and inventory management requirements for entities receiving funds under Title I of WIOA from the State of Hawaii.

II. BACKGROUND:

In accordance with the Workforce Innovation and Opportunity Act (WIOA) section 184(a)(1), the Workforce Development Council (WDC) is establishing WIOA property management requirements to incorporate the more restrictive State policies with Federal policies.

The policy for equipment acquisition is addressed in WIOA Bulletin No. 05-17 Items of Cost and Matrix of Specific Items of Cost attachment.

III. POLICY:

All entities shall comply with the requirements listed below:

- 2 CFR Part 200, Subpart D and E, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule including the USDOL approved exceptions at 2 CFR Part 2900;
- Title I of the Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 184; and
- 20 CFR Part 683.235.

In addition to the federal requirements, State-imposed requirements for the WIOA program are provided below:

A. Equipment

WIOA equipment is defined as any item with a useful life of one year or more and a unit cost of \$250 or more. At the time of acquisition, equipment title is conditionally vested in the State under the stipulations listed below:

- Subrecipients/subgrantees may use and retain the equipment for the authorized WIOA purposes until the property is no longer needed or funding for the project ceases;
- Subrecipients/subgrantees shall not encumber the property without Federal and State approval; and
- Subrecipients/subgrantees shall seek State approval prior to the disposition of any WIOA equipment.

Local Workforce Development Boards (LWDBs) shall be responsible for the property and inventory management of WIOA equipment in their local area. Adequate safeguards must be taken to prevent loss, damage, or theft of property. In addition, adequate maintenance procedures must be implemented to keep the property in good condition. Accurate recordkeeping is critical to property management and shall include the components as follows:

- A consolidated WIOA equipment inventory record to include the information listed below:
 - Equipment description;
 - Serial number or manufacturer's identifying number;
 - Source of funding (WIOA Adult/Youth/DW/Youth; PYXX);
 - Percentage of Federal funding (WIOA 100%);
 - Acquisition date;

- Total unit cost (including taxes, shipping, and installation);
 - Total WIOA unit cost;
 - Property identifying tag number (unique ID number assigned and affixed to the individual equipment item);
 - Location;
 - Condition and use of the equipment; and
 - Disposition information including disposal date and sale price.
- An annual physical inventory to account for all WIOA property, verify the property's condition, and verify the property's continued use, and
 - Disposition procedures to ensure State approval is granted prior to the disposal of any WIOA equipment.

B. Intangible Property

Intangible property is defined as property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible). At the time of acquisition, title to intangible property is vested in the State under the stipulations listed below:

- Subrecipients/subgrantees may use the intangible property for the authorized WIOA purposes until the property is no longer needed;
- Subrecipients/subgrantees shall not encumber the property without Federal and State approval; and
- Subrecipients/subgrantees shall seek State approval prior to the disposition of any intangible property.

Subrecipients/subgrantees may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under WIOA. USDOL and the State reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal or State purposes, and to authorize others to do so.

Subrecipients/subgrantees that acquire patents and/or copyrights through the use of WIOA funds, shall provide a prompt and full disclosure notification to the State.

IV. INQUIRIES:

Inquiries regarding this bulletin may be directed to Kim Saito, Kim.A.Saito@hawaii.gov or (808) 586-8903.

V. REFERENCES:

- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule and the USDOL exceptions at 2 CFR Part 2900
- Title I of the Workforce Innovations and Opportunity Act (WIOA) of 2014
- 20 CFR Part 683
- Hawaii Revised Statutes 103D, Part XII, Inventory Management
- Hawaii Administrative Rules, Title 3, Subtitle 11, Chapter 130, Inventory Management
- Policies and Procedures required by the Administrator of the State Procurement Office, Chief Procurement Officer for the Executive Branch, and the Inventory Management Office


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